



OFFICE OF THE SUPERINTENDENT

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2 September 2024

MEMORANDUM

TO: VMI Board of Visitors

THROUGH: The Audit, Finance and Planning Committee

SUBJECT: Approval of VMI's Six-Year Plan

The purpose of this memorandum is to transmit VMI's Six-Year Plan Update (FY 2025 to FY 2030) for your review and approval. A copy of the Plan is included with this memorandum.

State Requirements and Process

1. The development and adoption of VMI's Six-Year Plan (the Plan) by the Board of Visitors is mandated in The Virginia Higher Education Opportunity Act of 2011 ([§ 23.1-306](#)).
2. The Act requires that six-year plans be submitted biennially by 1 July of each odd-numbered year and amended or affirmed by 1 July on each even-numbered year. VMI submitted its updated Plan to the State Council of Higher Education (SCHEV) on 15 July 2024. The 2024 due date was extended due to a delay in issuing instructions and updating the Fact Pack.
3. Part 1 (Financials) of the Plan uses the "template" issued by SCHEV. It is based on SCHEV's instructions to assume no increase in State general funds beyond the current legislative appropriation for FY 2025. It also focuses primarily on Fiscal Years 2025 and 2026 for the Educational and General Program (E&G).
4. The six-year plans address the institution's academic, financial, and enrollment plans for the six-year period and address certain specific objectives outlined in the Act. These objectives include the provision of financial aid to help mitigate the impact of tuition and fee increases on low-income and middle-income students; degree conferral targets for Virginia students; plans for optimal year-round use of facilities; and development of an instructional resource-sharing program with other institutions in Virginia.
5. In odd-numbered years, each institution is required to meet with a committee (Review Committee) consisting of the Director of SCHEV, Secretaries of Education

and Finance, Director of the Department of Planning and Budget, and the Staff Directors of the House Appropriation and Senate Finance Committees to review the six-year plan and obtain comments. No meeting was required for the 2024 Plan.

6. The Review Committee is scheduled to provide its general comments that apply to all institutions and institution-specific comments by 1 September 2024. Institutions are required to respond to these comments and amend plans, if necessary, by 1 October 2024.

Highlights of VMI's Updated Plan (E&G Program)

Revenues

1. VMI's updated Plan reflected a projected fall enrollment of 1,526 in FY 2025 and 1,576 in FY 2026.
2. VA tuition and fees were projected at \$32,356 in FY 2025 and \$33,254 in FY 2026 for an increase of 2.8% and 2.8%, respectively. Tuition only represents an increase of 2.9% in FY 2025 and 2.9% in FY 2026
3. NVA tuition and fees total \$63,948 in FY 2025 and \$65,794 in FY 2026 for an increase of 2.8% and 2.9%, respectively. Tuition only reflects an increase of 2.9% in FY 2025 and 3.0% in FY 2026.
4. Tuition and other income total \$34.0 million in FY 2025 and \$36.1 million in FY 2026 for an increase of \$500,000 (1.6%) and an increase of \$2.1 million (6.2%), respectively. The FY 2026 increase is directly attributed to increased overall enrollment and an increase in tuition and fees.

Note: For Part 1 of the Six-Year Plan Submission, the FY 2026 increase in tuition and other income is the sum of the increase/decrease for both FY 2025 and FY 2026; this use of a "cumulative" total for FY 2026 also applies to all new spending or costs shown in Part 1 of the Six-Year Plan.

Expenses

5. Salary increases of 3.0% in FY 2025 and 3.0% in FY 2026 are projected for teaching faculty, administrative and professional faculty, and classified employees in accordance with the adopted State budget.
6. Employer health insurance premiums were increased 6.3% in FY 2025 and are projected to increase 4.0% in FY 2026.
7. Utilities and insurance are projected to increase 3.0% in FY 2025 and 5.0% in FY 2026.

8. Contingencies are budgeted at \$1,000,000 in FY 2025 and \$1,250,000 in FY 2026 reflecting about 1.7% and 2.0% respectively of total E&G Program costs to include cadet financial assistance.
9. Tuition revenue used for cadet financial assistance is projected to decrease by \$21,000 from the FY 2024 actual amount to \$3.5 million in FY 2025. For FY 2026, the projections are to increase tuition used for financial aid by \$200,000 to \$3.7 million.

Summary

10. VMI's amended Six-Year Plan (Academic and Financial) reflects its initiatives and activities in support of the goals and objectives of The Virginia Higher Education Opportunity Act of 2011 and the Statewide Strategic Plan that is generally consistent with the strategic directions of Forging 21st Century Leaders.
11. The financial projections in VMI's revised Six-Year Plan do not commit VMI or the State to any specific level of spending or revenue (tuition). The annual operating budget process, including BOV reviews and approval, will continue to establish the Institute's actual operating budget for each fiscal year.

Recommended Motion

It is moved that the VMI Board of Visitors approve VMI's updated Six-Year Plan for FY 2025 to FY 2030.



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Superintendent